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SUBJECT: DECEMBER 13 TAO PRESS BRIEFING: TAIWAN MAYORAL
ELECTIONS, VISITS TO MAINLAND, CHARTER FLIGHTS, LOANS TO
TAIWAN BUSINESSES, 2008 OLYMPICS, FINANCIAL COOPERATION

Summary

11. Key points at the December 13 Taiwan Affairs Office (TAO)
press briefing were:

-- The spokesman declined to comment on Taiwan's internal
politics, including the recent mayoral elections and calls
for the KMT change its name to "Taiwan Kuomintang."

-- TAO welcomes any person, party or organization from Taiwan
that accepts the One China Policy and the 1992 Consensus, Li
said in response to questions regarding possible visits by
Legislative Yuan President Wang Jin-Pyng and Taipei
Mayor-elect Hau Lung-bin.

-- Whether there is now a "window of opportunity for
cross-Straits talks will depend on the Taiwan side.

-- Cross-Straits charter flights for the Spring Festival will
run for 28 days beginning on February 5.

-- Mainland banks have begun granting loans to Taiwan
businesses in accordance with an agreement signed with TAO,
and TAO hopes to continue promoting financial cooperation
with Taiwan banks.

-- The spokesman rejected criticism that the process for
choosing sponsors for the 2008 Olympics has been
insufficiently transparent, claiming that the Beijing Olympic
Committee has treated fairly all businesses both in China and
abroad. End Summary.

Taiwan Internal Developments

12. Taiwan Affairs Office (TAO) spokesman Li Weiwei deflected
reporters' questions about Taiwan internal politics during
the December 13 press briefing. Asked for his opinion on
issues such as the outcome of Taiwan mayoral elections,
questions over the influence Chen Shui-bian's and Ma
Ying-jeou's political activities on the Kaohsiung race, Li
merely said the TAO is paying attention to relevant reports.
In response to a reporter's request for comment on calls for
the KMT to change its name to "Taiwan Kuomintang" and what
impact that change might have on Mainland-KMT relations, Li
said that TAO believes the KMT can make its own decisions and
that TAO's consistent position has been to promote exchange
in economic, cultural and other fields.

Visits to Mainland

13. When asked if Legislative Yuan President Wang Jin-pyng and
Taipei's Mayor-elect Hau Lung-bin could visit the Mainland,
Li replied that China's clear and consistent position is that

it will welcome to the Mainland any person, political party or group who accepts the One China Policy and the 1992 Consensus. Asked separately for specifics on the visits of these two officials, Li said only that TAO respects the views of Mayor-elect Hau and that journalists can follow Taiwan media reports for Legislative Yuan President Wang's opinions and comments.

14. Asked if there had been any change in policy toward the visits of persons affiliated with the DPP, Li said that TAO welcomes those with the proper status to visit the mainland, noting there is a difference between the broad majority of DPP members and the tiny minority of "independence" elements.

In response to a reporter's question about a "window of opportunity" for cross-Straits talks before 2007, Li said the window for talks "has always been open," but using the opportunity will depend on the Taiwan side.

Cross-Straits Charter Flights Schedule

15. According to arrangements made among private cross-Straits airline organizations on June 14 of this year, 48 round trips -- a total of 96 charter flights -- will run from February 5 to March 4 between the Mainland cities of Beijing, Shanghai, Guangzhou and Xiamen and Taipei and Kaohsiung in Taiwan. Mainland airlines personnel will be allowed to travel to Taiwan 10 days prior to the charter flights period. Li expressed the Mainland's hope that the two sides can continue to increase the number of flights and passengers between Taiwan and the Mainland.

Mainland Bank Loans to Taiwan Businesses

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16. The National Development Bank has already given over RMB three billion in loans to nearly 60 Taiwan-invested companies and is currently researching ways to support the development of small and medium-sized Taiwan agricultural enterprises on the Mainland, Li stated. Loans granted by the two banks are going to small and medium-sized companies in a variety of industries including electronics, chemicals, metallurgy, building materials, food products and logistics. Li said TAO will continue promoting this financing work established by the "Support Development of and Cooperation with Taiwan Companies" Agreement signed last year by the National Development Bank, Huaxia Bank and TAO to offer better service to Taiwan businesses.

Taiwan Participation in 2008 Olympics

17. Li rejected criticism that the Beijing Olympic Committee's process for choosing commercial sponsors was insufficiently transparent. Li argued that the Beijing Olympic Committee has treated domestic and international enterprises fairly, equally and without discrimination from beginning to end.

18. Asked for information on how Taiwan residents can purchase 2008 Olympics tickets that are set to go on sale next year, Li said TAO is concerned about this issue and will contact the Beijing Olympic Committee to better understand its plans.

Financial Cooperation Hindered by Taiwan

19. Li agreed with a reporter's statement that opportunities for Taiwan banks on the Mainland following China's opening to full banking competition last week could be lost because of barriers set up by the Taiwan authorities. Li added that TAO has always had positive views toward cross-Straits cooperation and exchange and hopes that Taiwan can remove these obstacles and further enhance cooperation in the financial field.

Agreement on Mainland Tourists' Travel to Taiwan?

¶10. A Xinhua reporter asked if Taiwan media reports were true that the Mainland and Taiwan had reached consensus on opening Taiwan to Mainland tourists, with an agreement to be signed after the mayoral elections. Li acknowledged that Mainland and Taiwan private tourist organizations had held technical consultations on numerous occasions but said that it was up to these organizations to determine when to reveal the contents of their discussions and when to sign any agreement.

Asked to verify reports that the Mainland had already approved 15 Mainland travel agencies' participation, Li said that those reports were not yet confirmed.

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